

# **EXHIBIT A**

**BERNARD L. MADOFF INVESTMENT SECURITIES LLC**

In Liquidation

**DECEMBER 11, 2008<sup>1</sup>**

**NOTICE OF TRUSTEE'S DETERMINATION OF CLAIM**

August 2, 2010

The 1996 Tst for the Children of Pamela & Stanley Chais  
c/o Andrew Sherman  
Sills Cummins & Gross  
The Legal Center  
One Riverfront Plaza  
Newark, NJ 07102

Dear The 1996 Tst for the Children of Pamela & Stanley Chais:

**PLEASE READ THIS NOTICE CAREFULLY.**

The liquidation of the business of BERNARD L. MADOFF INVESTMENT SECURITIES LLC ("BLMIS") is being conducted by Irving H. Picard, Trustee under the Securities Investor Protection Act, 15 U.S.C. § 78aaa et seq. ("SIPA"), pursuant to an order entered on December 15, 2008 by the United States District Court for the Southern District of New York.

The Trustee has made the following determination regarding your claim on BLMIS Account No. 1C1270 designated as Claim Number 013846:

Your claim for a credit balance of \$7,756,340.60 and for securities is **DENIED**. No securities were ever purchased for your account.

<sup>1</sup> Section 781(c)(7)(B) of SIPA states that the filing date is "the date on which an application for a protective decree is filed under 781(c)(3)," except where the debtor is the subject of a proceeding pending before a United States court "in which a receiver, trustee, or liquidator for such debtor has been appointed and such proceeding was commenced before the date on which such application was filed, the term 'filing date' means the date on which such proceeding was commenced." Section 781(c)(7)(B). Thus, even though the Application for a protective decree was filed on December 15, 2008, the Filing Date in this action is on December 11, 2008.

Further, based on the Trustee's analysis, the amount of money you withdrew from your account at BLMIS (total of \$25,947,154.77), as more fully set forth in Table 1 annexed hereto and made a part hereof, is greater than the amount that was deposited with BLMIS for the purchase of securities (total of \$24,092,154.77). As noted, no securities were ever purchased by BLMIS for your account. Any and all profits reported to you by BLMIS on account statements were fictitious.

As reflected in Table 1, certain of the transfers into or out of your account have been adjusted. As part of the Trustee's analysis of accounts, the Trustee has assessed accounts based on a money in/money out analysis (i.e., has the investor deposited more or less than he or she withdrew from BLMIS). This analysis allows the Trustee to determine which part of an account's balance is originally invested principal and which part is fictitious gains that were fabricated by BLMIS. A customer's allowed claim is based on the amount of principal in the customer's account.

Whenever a customer requested a transfer from one account to another, the Trustee analyzed whether the transferor account had principal in the account at the time of the transfer. The available principal in the account was transferred to and credited in the transferee account. Thus, the reason that the adjusted amount of transferred deposits or withdrawals in Table 1 is less than the purported transfer amount is that the transferor account did not have sufficient principal available to effectuate the full transfer. The difference between the purported transfer amount and the adjusted transfer amount is the amount of fictitious gain that was transferred to or from your account. Under the money in/money out analysis, the Trustee does not give credit for fictitious gains in settling your allowed claim.

Since there were no profits to use either to purchase securities or to pay you any money beyond the amount that was deposited into your BLMIS account, the amount of money you received in excess of the deposits in your account (\$1,855,000.00) was taken from other customers and given to you. Accordingly, because you have withdrawn more than was deposited into your account, you do not have a positive "net equity" in your account and you are not entitled to an allowed claim in the BLMIS liquidation proceeding. Therefore, your claim is **DENIED** in its entirety.

On March 1, 2010, the United States Bankruptcy Court for the Southern District of New York (Lifland, J.) issued a decision which affirmed the Trustee's Net Investment Method for determining customer claims. The final resolution of this issue is expected to be determined on appeal.

Should a final and unappealable court order determine that the Trustee is incorrect in his interpretation of "net equity" and its corresponding application to the determination of customer claims, the Trustee will be bound by that order and will apply it retroactively to all previously determined customer claims in accordance with the Court's order. Nothing in this Notice of Trustee's Determination of Claim shall be construed as a waiver of any rights or claims held by you in having your customer claim re-determined in accordance with any such Court order.

Nothing in this Notice of Trustee's Determination of Claim shall be construed as a waiver of any rights or claims held by the Trustee against you.

**PLEASE TAKE NOTICE:** If you disagree with this determination and desire a hearing before Bankruptcy Judge Burton R. Lifland, you **MUST** file your written opposition, setting forth the grounds for your disagreement, referencing Bankruptcy Case No. 08-1789 (BRL) and attaching copies of any documents in support of your position, with the United States Bankruptcy Court **and** the Trustee within **THIRTY DAYS** after August 2, 2010, the date on which the Trustee mailed this notice.

**PLEASE TAKE FURTHER NOTICE:** If you do not properly and timely file a written opposition, the Trustee's determination with respect to your claim will be deemed confirmed by the Court and binding on you.

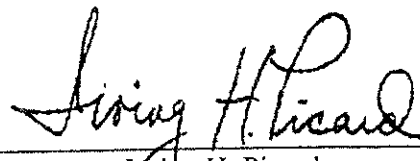
**PLEASE TAKE FURTHER NOTICE:** If you properly and timely file a written opposition, a hearing date for this controversy will be obtained by the Trustee and you will be notified of that hearing date. Your failure to appear personally or through counsel at such hearing will result in the Trustee's determination with respect to your claim being confirmed by the Court and binding on you.

**PLEASE TAKE FURTHER NOTICE:** You must mail your opposition, if any, in accordance with the above procedure, to each of the following addresses:

Clerk of the United States Bankruptcy Court for  
the Southern District of New York  
One Bowling Green  
New York, New York 10004

and

Irving H. Picard, Trustee  
c/o Baker & Hostetler LLP  
45 Rockefeller Plaza  
New York, New York 10111

  
Irving H. Picard

Trustee for the Liquidation of the Business of  
Bernard L. Madoff Investment Securities LLC

DEPOSITS			
DATE	TRANSACTION DESCRIPTION	AMOUNT	ADJUSTED AMOUNT
9/30/1997	TRANS FROM 1C122530	\$783,596.62	\$662,594.10
1/5/1998	CHECK	\$20,100.00	\$20,100.00
1/5/1998	CHECK	\$20,100.00	\$20,100.00
1/5/1998	CHECK	\$20,100.00	\$20,100.00
12/24/1998	TRANS FROM E CHAIS 83 TST	\$5,628,753.00	\$0.00
12/24/1998	TRANS FROM M CHAIS 83 TST	\$5,628,753.00	\$0.00
12/24/1998	TRANS FROM W CHAIS 83 TST	\$5,628,753.00	\$0.00
1/4/1999	TRANS FROM CHAIS 91 FAM TST 2	\$20,100.00	\$20,100.00
1/4/1999	TRANS FROM CHAIS 91 FAM TST 2	\$20,100.00	\$20,100.00
1/4/1999	TRANS FROM CHAIS 91 FAM TST 2	\$20,100.00	\$20,100.00
4/13/1999	TRANS FROM 1C122530	\$6,140.36	\$6,000.00
4/13/1999	TRANS FROM 1C104030	\$400,000.00	\$0.00
4/13/1999	TRANS FROM 1C102630	\$400,000.00	\$0.00
4/13/1999	TRANS FROM 1C103330	\$400,000.00	\$0.00
4/22/1999	CHECK	\$45,000.00	\$45,000.00
5/17/1999	CHECK	\$3,000.00	\$3,000.00
12/30/1999	TRANS FROM 1U002130	\$891,688.29	\$891,688.29
11/21/2000	CHECK	\$982,071.00	\$982,071.00
11/6/2003	CHECK WIRE	\$550,000.00	\$550,000.00
7/30/2004	CHECK WIRE	\$915,871.72	\$915,871.72
12/13/2005	TRANS FROM 1U002130	\$20,000,000.00	\$18,990,329.66
7/11/2008	CHECK WIRE	\$925,000.00	\$925,000.00
<b>Total Deposits:</b>		\$43,309,226.99	\$24,092,154.77
WITHDRAWALS			
DATE	TRANSACTION DESCRIPTION	AMOUNT	ADJUSTED AMOUNT
12/31/1997	TRANS TO CHAIS 91 FAMILY TST 2	(\$414,375.00)	(\$414,375.00)
12/28/1998	CHECK WIRE	(\$16,886,259.00)	(\$16,886,259.00)
4/13/1999	CHECK WIRE	(\$750,000.00)	(\$750,000.00)
12/30/1999	TRANS TO 1C102630	(\$297,229.43)	\$0.00
12/30/1999	TRANS TO 1C103330	(\$297,229.43)	\$0.00
12/30/1999	TRANS TO 1C104030	(\$297,229.43)	\$0.00
4/11/2000	CHECK	(\$67,000.00)	(\$67,000.00)
12/14/2000	TRANS TO 1C103330	(\$303,437.65)	\$0.00
12/14/2000	TRANS TO 1C102630	(\$303,437.65)	\$0.00
12/14/2000	TRANS TO 1C104030	(\$303,437.65)	\$0.00
8/24/2001	CHECK	(\$5,715.96)	(\$5,715.96)

12/5/2001	TRANS TO 1C104030	(\$303,437.65)	\$0.00
12/5/2001	TRANS TO 1C102630	(\$303,437.65)	\$0.00
12/5/2001	TRANS TO 1C103330	(\$303,437.65)	\$0.00
12/23/2002	TRANS TO 1C104030	(\$303,437.65)	\$0.00
12/23/2002	TRANS TO 1C103330	(\$303,437.65)	\$0.00
12/23/2002	TRANS TO 1C102630	(\$303,437.65)	\$0.00
12/8/2003	TRANS TO 1C102630	(\$303,437.65)	\$0.00
12/8/2003	TRANS TO 1C104030	(\$303,437.65)	\$0.00
12/8/2003	TRANS TO 1C103330	(\$303,437.65)	\$0.00
11/30/2004	TRANS TO 1C102630	(\$303,437.65)	\$0.00
11/30/2004	TRANS TO 1C103330	(\$303,437.65)	\$0.00
11/30/2004	TRANS TO 1C104030	(\$303,437.65)	\$0.00
9/30/2005	CHECK	(\$89,326.00)	(\$89,326.00)
12/22/2005	TRANS TO 1C104030	(\$6,332,190.65)	(\$1,651,492.94)
12/22/2005	TRANS TO 1C102630	(\$6,332,190.65)	(\$1,651,492.94)
12/22/2005	TRANS TO 1C103330	(\$6,332,190.65)	(\$1,651,492.94)
4/12/2007	CHECK	(\$1,600,000.00)	(\$1,600,000.00)
4/11/2008	CHECK	(\$1,180,000.00)	(\$1,180,000.00)
<b>Total Withdrawals:</b>		(\$45,432,500.95)	(\$25,947,154.77)
<b>Total deposits less withdrawals:</b>		(\$2,123,273.96)	(\$1,855,000.00)

## **EXHIBIT B**

BERNARD L. MADOFF  
INVESTMENT SECURITIES LLC  
New York □ London

003 11TH AVENUE  
New York, NY 10022  
(212) 230-2424  
800 334-1343  
Fax (212) 838-4061

THE 1996 TST FOR THE CHILDREN  
OF PAHELA & STANLEY CHAIS

PENDING: 11/30/08

PAGE 1

YOUR ACCOUNT NUMBER  
1-C1270-3-0

YOUR TAXPAYER IDENTIFICATION NUMBER  
\*\*\*\*\*6100

08-01789-cgm Doc 2934-1

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DATE	BOUGHT RECEIVED OR LONG	SOLD DELIVERED OR SHORT	TRN	DESCRIPTION	PRICE OR SYMBOL	AMOUNT DEBITED TO YOUR ACCOUNT	AMOUNT CREDITED TO YOUR ACCOUNT
11/03				BALANCE FORWARD			
11/13		300,000		CVS CAREMARK CORP DIV 10/21/08 11/03/08 U S TREASURY BILL DUE 11/13/2008	DIV DELV		691,380
11/13				REDEEMED 11/13/2008 U S TREASURY BILL DUE 11/13/2008	JRNL		300,000
11/13				REDEEMED 11/13/2008 FIDELITY SPARTAN U S TREASURY MONEY MARKET	DIV		
11/13		26,641	29952	DIV 11/13/08 FIDELITY SPARTAN U S TREASURY MONEY MARKET	1		26,641
11/13	325,000		29991	U S TREASURY BILL DUE 5/14/2009	99.550	323,537.50	
11/18		1,200	78186	BIDGEN IDEC INC	46.620		55,920
11/18		1,000		ANHEUSER BUSCH COS INC CASH MERGER	DELV		
11/18			78242	CASH MERGER U S TREASURY BILL DUE 5/14/2009	JRNL		70,000
11/18	50,000				99.661	49,830.50	
				CONTINUED ON PAGE 2			

PLEASE RETAIN THIS STATEMENT FOR INCOME TAX PURPOSES





DEANARD L. MALOUF  
INVESTMENT SECURITIES LLC  
New York □ London

New York, NY 10022  
(212) 230-2424  
800 334-1343  
Fax (212) 838-4061

12 Berkeley Street  
Mayfair, London W1J 8DT  
Tel 020 7493 6222

THE 1996 TSI FOR THE CHILDREN  
OF PAMELA & STANLEY CHAIS

PERIOD ENDING 11/30/08	PAGE 3
YOUR ACCOUNT NUMBER 1-C1270-3-0	
YOUR TAX PAYER IDENTIFICATION NUMBER *****6100	

DATE	BOUGHT RECEIVED OR LONG	SOLD DELIVERED OR SHORT	TIN	DESCRIPTION	PRICE OR SYMBOL	AMOUNT DEBITED TO YOUR ACCOUNT	AMOUNT CREDITED TO YOUR ACCOUNT
	13,721			FIDELITY SPARTAN	1		
	350,000			U.S. TREASURY MONEY MARKET	99.992		
	1,500,000			U.S. TREASURY BILL DUE 2/12/2009	99.986		
	1,125,000			U.S. TREASURY BILL DUE 02/19/2009	99.971		
	150,000			U.S. TREASURY BILL DUE 3/12/2009	99.971		
	575,000			U.S. TREASURY BILL DUE 03/26/2009	99.969		
	1,250,000			U.S. TREASURY BILL DUE 4/02/2009	99.945		
	675,000			U.S. TREASURY BILL DUE 04/09/2009	99.915		
	375,000			U.S. TREASURY BILL DUE 4/16/2009	99.828		
				U.S. TREASURY BILL DUE 5/14/2009			
				CONTINUED ON PAGE 4			

PLEASE RETAIN THIS STATEMENT FOR INCOME TAX PURPOSES

**FRANKLIN D. BLADY**  
INVESTMENT SECURITIES LLC  
New York □ London

12 Berkeley Street  
Mayfair, London W1J 8DT  
Tel 020 7493 6222


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OF PAMELA & STANLEY CHAIS

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PAGE 5

PERIOD ENDING  
11/30/08

YOUR ACCOUNT NUMBER 1-C1270-3-0 YOUR TAX PAYER IDENTIFICATION NUMBER \*\*\*\*\*6100

08-01789-cgm: 

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10,473,732.06

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and B Pg 10 of 10

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Exhibit A

DATE	BOUGHT RECEIVEDS ON LONG	SOLD DELIVERED ON SHORT	TRN	DESCRIPTION	PRICE OR SYMBOL	AMOUNT DEBITED TO YOUR ACCOUNT	AMOUNT CREDITED TO YOUR ACCOUNT
				YEAR-TO-DATE SUMMARY			
				DIVIDENDS		11,037.32	50,782.73
				MARGIN INTEREST			
				GROSS PROCEEDS FROM SALES			10,473,732.60

**PLEASE RETAIN THIS STATEMENT FOR INCOME TAX PURPOSES**